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No. 56

House of Representatives

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. NETHERCUTT].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON DC,
May 5, 1997.

I hereby designate the Honorable GEORGE R. NETHERCUTT, JR. to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Ronald F. Christian, Evangelical Lutheran Church of America, Washington, DC, offered the following prayer:

Gracious God, we offer our gratitude on this day full of grace, for our lives and our health and every good; for the challenge of our work as well as the responsibility of our duty; for our friends and colleagues with whom we may converse.

We seek Your blessing on this day full of grace. Bless all our efforts that can make life more comfortable, good health more possible, and meaningful work more available. Bless all our conversations that they may be encouraging and supportive of each person even when outcomes may differ.

We pray for Your mercy on this day full of grace. Show us all mercy when what we accomplish is less than our capabilities. Show us all mercy when our present goals are short of Your expectations. And, show us all mercy when we choose selfish gain over selfless giving.

These things we do humbly ask in Your name, O God. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California [Mr. FILNER] come forward and lead the House in the Pledge of Allegiance.

Mr. FILNER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 2, 1997.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following messages from the Secretary of the Senate on Friday, May 2, 1997: That the Senate passed without amendment H. Con. Res. 61; that the Senate passed S. 543; and that the Senate passed S.J. Res. 29.

With warm regards,
ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following commu-

nication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 2, 1997.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, May 2 at 1:00 p.m., and said to contain a message from the President whereby he submits a report on the U.S. comprehensive preparedness program for countering proliferation of weapons of mass destruction.

With warm regards,
ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

REPORT DESCRIBING U.S. READINESS PROGRAM FOR COUNTERING PROLIFERATION OF WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-79)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers without objection, referred to the Committee on National Security and International Relations and ordered to be printed:

To the Congress of the United States:

The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), title XIV, section 1443 (Defense Against Weapons of Mass Destruction), requires the President to transmit a report to the Congress that describes the United States comprehensive readiness program for countering proliferation of weapons of mass destruction. In accordance with this provision, I enclose the attached report.

WILLIAM J. CLINTON,
THE WHITE HOUSE, May 2, 1997.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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THE 50TH WEDDING ANNIVERSARY OF BEVERLY AND BOB LEWIS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, late Saturday afternoon, ABC Sports reported that on August 2, my very dear friends, Beverly and Bob Lewis, will be marking their 50th wedding anniversary. It was not simply because it was their anniversary, but it was the fact that they are the very proud owners of the winner of the Kentucky Derby.

Their horse, Silver Charm, won by a neck. It was great for all of us to see Beverly and Bob Lewis stand there with such enthusiasm. It is difficult to imagine two more wonderful human beings, two people who are more deserving of this. So, as they look toward their 50th wedding anniversary, it is difficult, again, to imagine a better gift, unless it would be the Triple Crown.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

IT IS TIME TO TRULY TAKE BACK OUR NEIGHBORHOODS CRIME FIGHTING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker and my colleagues, today I introduced a bill which I call Taking Back Our Neighborhoods Crime Fighting Act. This is to bolster our Nation's crime-fighting efforts and to encourage citizens to get involved in crime prevention. The only way that we can, in fact, lower our crime rates dramatically, citizens involvement.

I am joined by the cochairman and 6 members of the Law Enforcement Caucus. More importantly, this legislation is backed by over 200 police chiefs, sheriffs, district attorneys, community groups and elected officials, including mayors of cities big and small, from across the country who supported this bill in the last Congress.

The Taking Back Our Neighborhoods Crime Fighting Act would give a \$50 tax credit to people actively involved in Neighborhood Watch groups and other organizations committed to the reduction of local crime, active involvement in Neighborhood Watch groups.

I am proposing this tax credit because Neighborhood Watch works. It is the most effective crime reduction program available to our communities. Throughout the country, Neighborhood Watch groups have made people feel safer and more secure in their home,

parks and streets. It works because Neighborhood Watch establishes relationships amongst neighbors and it established partnerships between neighborhoods and their police officers. Citizens are trained how to watch out for their families, monitor their neighborhoods, how to be observant and reliable witnesses, and how to assist their local police.

Some 64 police chiefs, 12 sheriffs, 17 district attorneys, and 55 mayors around the country firmly believe in Neighborhood Watch and have endorsed the idea of encouraging participation through tax credits.

The mayor of Pittsburgh, PA, Mayor Tom Murphy, said, "One of the ways the City of Pittsburgh encourages community involvement in public safety is through its 300-plus Neighborhood Watch Block Clubs. Linking a Federal tax credit to a citizen's twice-a-year attendance at these anti-crime meetings in which our community-oriented police officers participate will dramatically strengthen this program."

Over the past decade in my Congressional district in San Diego, CA, we pioneered and refined the practice of community-oriented policing and we have seen the difference it makes. I served on the San Diego City Council for 5 years before I came to the Congress, and I worked hand-in-hand with residents to attack crime. We helped establish Neighborhood Watch groups block by block. We went on walking patrols through the streets and created support networks amongst neighbors. We established what we call drug-free zones to keep dealers away from our schools. And we organized a graffiti patrol to clean up our neighborhoods and restore pride in our community.

Most importantly, we worked directly with local police to create innovative crime-fighting strategies. Teams of police officers walked our streets, our schools and our neighborhoods. They got to know the neighborhoods they protected and the people in them. They talked to residents, and residents knew exactly who to call if they saw someone in trouble. They knew the names of the officers. They had their beeper numbers. They had their confidence. And we brought crime rate down.

Efforts all over the country like this have been successful. During the last 3 years in San Diego, we have seen an overall reduction of 36 percent in the crime rate and almost 50 percent decrease in robberies, homicides and burglaries.

Most importantly, those who are involved in Neighborhood Watch, my constituents who work with the local police, feel stronger, they feel empowered, they feel less alienated, they feel a sense of community, and they knew that a difference had been made in their own neighborhoods. But we still have a long way to go to feel safe in our homes and our streets. Encouraging people in Neighborhood Watch group participation will help us protect our families.

San Diego's chief of police, Jerry Sanders, said the success of community policing depends on Neighborhood Watch. As he wrote, "Voluntary citizen participation in neighborhood meetings is paramount to successfully battling crime. Adoption of a tax credit would greatly enhance our efforts," he concluded.

Neighborhood Watch groups have proven to be an effective and economical approach to providing a better and more secure society for ourselves and our children. Giving people in Neighborhood Watch groups a \$50 tax break will support the many citizens already involved in crime prevention and encourage more community participation.

I ask my colleagues to support this important piece of legislation. Working together, and only by working together, in participation with our local police, we can truly reclaim our streets.

THE QUADRENNIAL DEFENSE REVIEW: BUDGETS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1977, the gentleman from Missouri [Mr. SKELTON] is recognized for 60 minutes as the designee of the minority leader.

Mr. SKELTON. Mr. Speaker, in all of this budget business, which has been in the headlines, I found not one word referring to the budget for national security. Thus, this second of three speeches I am making about the future of the U.S. military is not only appropriate, but timely. This afternoon, I will address whether projected defense budgets are sufficient to support the military strategy that is emerging from the Quadrennial Defense Review or QDR the reassessment of defense policy that the Defense Department is due to provide to Congress on May 15. In the first speech, I discussed the principles that should shape U.S. military strategy in coming years. In the final speech, I intend to consider how we are treating our people—the men and women in the Armed Forces and the civilian personnel who support them.

CONSTITUTIONAL ROLE OF CONGRESS

As I remarked in my first speech on these topics, I intend to begin each statement by reiterating a simple point under the Constitution, it is Congress' responsibility to ensure that the size and composition of U.S. military forces are sufficient to provide for the common defense. I referred to article 1, section 8 of the Constitution. Historically, Congress has often failed in this responsibility. As a result, the United States has repeatedly been unprepared for the military challenges it has faced. The price for this unpreparedness has been paid in the blood of young men and women in the Armed Forces. I fear in the future that the price will be even greater. At the very least, I fear, our security will erode because we will no longer have the strength to keep smaller scale conflicts

from weakening international stability. And at worst, I fear, major new threats will evolve in the future that would not have developed if we had maintained our strength.

My fellow Missourian, Harry S. Truman, made the point clearly: We must be prepared to pay the price for peace, or assuredly we will pay the price of war. I believe that Harry Truman's assessment is no less true now than when he spoke those words. Once again, however, as so often in the past, the U.S. Congress appears unwilling to pay the price of peace. Since the mid-1980's, the Department of Defense budget has declined by 40 percent in real, inflation-adjusted dollars. Funding for weapons procurement has declined even further by 67 percent since 1985. Today we are spending just one-third as much on new weapons as we did in the mid-1980's.

I do not believe that these levels of spending can be tolerated without critically weakening our military capabilities. And yet, there is all too little support for restoring even modest rates of growth in military spending. On the contrary, the budget plan that the administration presented earlier this year projected that defense spending would continue down in fiscal year 1998 and then, essentially, level off in real terms. The budget agreement that was announced last Friday calls for inadequate levels for defense across the board—both in budget authority and budget outlays. Even more importantly, for long-term planning purposes, the Quadrennial Defense Review is being carried out on the assumption that defense budgets will be frozen at about \$250 billion per year, in constant prices, as far as the eye can see. The military services have been required to plan, therefore, on the assumption that any real growth in costs will have to be offset by reductions in programs—and, as I will argue shortly, I believe that growth in costs is unlikely to be avoided in the military.

THE PRICE OF PEACE IS SMALL

The reluctance to support modest growth in defense spending is all the more tragic because it is so unnecessary. Looked at from any reasonable, long-term perspective, the price of peace today is extraordinarily small. In 1997, the defense budget amounts to 3.4 percent of gross domestic product. Under the new White House-congressional budget plan, it will decline to 2.7 percent of GDP by 2002. As recently as 1986, defense spending was over 6 percent of GDP, and even at its lowest level in the mid-1970's, it was about 5 percent. As a share of the Federal budget, defense spending has declined even further and faster: defense is now 16 percent of the Federal budget, down from 25 percent in the mid-1970's and 1980's, and down from 42 percent as recently as 1970.

Suppose we were to allow military spending to decline to, say, 3 percent of GDP and then grow at no more than 1 or 2 percent in real terms each year thereafter. As I will argue shortly,

such very modest real growth in defense spending is necessary to maintain a well-equipped, high-quality, well-trained force. At that level of spending, the defense budget would represent less than half the burden on the economy it did at the end of the cold war, and it would decline over time. This, to me, would be a disproportionately small price to pay for the benefits we derive from having a force that can maintain a significant, visible U.S. military presence abroad, respond to crises across the whole spectrum of conflict, and prepare for advanced technological challenges in the future.

Instead of trying to bolster public and congressional support for so modest a defense burden, however, the administration, supported by the congressional leadership, has decided to try to support its defense strategy with budgets that start out two sizes too small and will become tighter and tighter as the years go by. As I pointed out last week, the strategy that the Defense Department is articulating in the QDR is appropriately broad and demanding. It calls for forces able to shape the international security environment, respond to the full range of challenges to our security, including two concurrent major theater wars, and prepare for potential future threats. This strategy is rightly more ambitious than the strategy that was laid out in the Bottom-Up Review of 1993. The QDR strategy is an improvement because it explicitly takes account of the fact that activities short of major theater war have imposed great strains on our current forces and have to be taken into account in shaping forces for the future.

I do not see how it will be possible to support such a strategy with a force smaller than the force designed to support Les Aspin's Bottom-Up Review—a strategy that sized the force simply to deal with two major regional contingencies. The new strategy, as I said, is rightly more demanding. And yet, by all accounts, in the QDR, the civilian leadership of the Pentagon is mandating reductions in forces in order to find savings with which to finance a very modest increase in funding for weapons modernization.

The reason for this inconsistency between strategy and plans is not far to seek—the QDR is being driven by budgets, not by strategy. Force cuts, probably proportional reductions imposed on each of the services, have to be considered because budgets will not support existing force levels, while allowing any room to increase weapons funding.

Now it would be one thing if the cuts in forces being driven by budgets were a onetime deal. That would be bad enough. My concern is that the effort to maintain even a slightly smaller force with flat budgets will lead to a perpetual cycle of budget shortfalls, cuts in weapons programs, reductions in maintenance and training, and pressures to cut forces yet again. The tur-

bulence in the force that has been such a burden on our people will never end. And, in the long run, we will see a slow, steady, but almost imperceptible erosion in our military capabilities until, eventually, our forces are not present in key regions of the globe, we give up on responding to important threats to the peace, and we encourage others to challenge our eroding strength in key regions of the globe.

THE NEED FOR GROWTH IN DEFENSE BUDGETS

To me, it is terribly ill-advised for the Defense Department to attempt to plan on the basis of flat budgets for the foreseeable future. Indeed, until recently, the Defense Department rightly insisted that modest growth was necessary in the long term. As recently as a year ago, I recall Secretary of Defense Perry telling the National Security Committee how the Defense Department planned to reverse the decline in weapons procurement that I referred to earlier. Funding to recapitalize the force, he said, would come from three sources: First, the four rounds of military base closures that had cost money in the past would soon begin to achieve savings, and the entire increment would be used to boost procurement funding; second, savings from acquisition reform, though not assumed in the budget, would also be allocated to procurement; and, third, modest growth in defense spending that was then projected in Administration plans, would also go for weapons modernization. All three sources, he said, are necessary to recapitalize.

Well, that was just a year ago. Now, the story is, we will recapitalize the force, how? Also with savings from base closures and improved ways of doing business but not with modest increases in the budget. Instead, the Defense Department is being driven to make reductions in force levels in order to meet targets for increasing weapons procurement. But without a resumption of some growth in the future, where will this process end? And how much can we count on savings from infrastructure reductions, outsourcing, inventory cuts and other efficiencies to substitute for the growth in spending that was previously in the plan?

Historically, we have not been able to support a force of a given size with flat defense budgets. A couple of years ago, the Congressional Research Service did a study which simply measured the trend in defense spending relative to the size of the force from fiscal year 1955, just after the Korean war, projected through the year 2000 under the administration plan. It found that defense budgets have, on average, grown by about 1.7 percent per year in real, inflation-adjusted prices per active duty troop.

For defense budget analysts, this is not a surprising finding. Some of you may recall in the late 1970's the debate over whether to increase defense spending by 3 percent per year. The premise

was that defense budgets should increase in real terms over time for several reasons. For one thing, in order to keep quality people in the force, the quality of life in the military has to keep pace with the quality of life in the civilian sector. So pay, housing expenditures, facility maintenance accounts and other related activities have to increase with the overall growth of the economy. Second, we have found that modern, advanced weapons grow in cost from one generation to the next. According to a recent report on theater, or tactical fighter, aircraft programs by the Congressional Budget Office, each generation of aircraft typically doubles in price, in real terms, compared to the generation that went before. So budgets should grow to allow the military services to take advantage of evolving technology. Finally, although the services have always hoped that new weapons would be more reliable and cheaper to operate and maintain than the generation that went before, this has never turned out to be the case. Since weapons necessarily are designed to maximize performance, operation and maintenance costs typically grow in real terms.

Now if the Defense Department believes that these long-term trends in the costs of doing business have changed, then they should explain the reasons why. For my part, I cannot see how these trends would be reversed. On the contrary, a number of factors ought to make it more difficult to limit cost growth. We have not, for one thing, been able to reduce the size of the defense infrastructure in proportion to cuts in the size of the force, and I am very doubtful the Congress will approve another round of base closures in the near future. So we have to maintain a relatively large support structure, which drives up costs relative to the size of the force. Second, we are trying, in at least some parts of the force, to use technology to substitute for force size so the capital investments required will be relatively large compared to the size of the force. Moreover, with an all-volunteer force, it is more important than ever that the quality of life be protected. In recent years, we have been skimping on military pay raises; much military housing is in terrible condition and we have only belatedly begun efforts to improve it; we have deferred maintenance of military facilities for many years, and the backlog of requirements will inevitably catch up with us; and we have projected savings in military health care costs that will be extraordinarily difficult to achieve. Finally, requirements that the military comply with environmental regulations and with health and safety norms are increasing costs in the Defense Department as in every other part of the society.

So the requirement that the military services plan on the basis of flat budgets is a prescription for perpetual underfunding of long-term defense requirements and the steady erosion of

our military strength. Modest, steady, sustainable rates of real growth in military spending are necessary to maintain a well-equipped, well-trained, high-quality force of a size large enough to carry out the U.S. military strategy and protect U.S. national security.

HOW NOT TO THINK ABOUT DEFENSE SPENDING

Now, for some of my colleagues, that the notion that defense spending should grow over time must seem rather alien. In fact, my conclusion that defense budgets should increase follows straightforwardly from clear thinking about defense. The only proper way to decide how much to spend on defense is, first, to begin by deciding on a military strategy that will ensure our security, second, to determine what size force is needed to support the strategy, and then, finally, to calculate what resources are needed to ensure the quality of the force. But all kinds of other, extraneous arguments about defense spending get in the way of this clear line of thought.

One common argument against defense spending is that potential enemies today appear to spend so much less than the United States. The implication is either that threats are not so great as our planning assumes, or that the U.S. military should be able to maintain its strength with much less money. The flaws in such reasoning are legion. For one thing, potential enemies simply have to be strong in only one area of military capability in order to challenge stability in their own regions. Possible challenges to U.S. security, however, come from so many different directions and in such a wide variety of forms that the United States must maintain strong military capabilities of all types. Second, the U.S. military is not in the business of being barely stronger than the Iraqis of the world. As General Shalikashvili has said repeatedly, we had military dominance in the Persian Gulf war, we liked it, and we want to keep it.

More fundamentally, however, it is not enough for those who want to cut U.S. military spending to cite how much possible enemies spend. Instead, those who call for cuts ought to be able to identify aspects of U.S. military strength that they would give up. If the argument is that North Korea is not as great a threat as U.S. military plans assume, for example, because North Korea spends so little, then let us consider whether to weaken the U.S. military posture in Korea. Looked at that way, however, the argument is harder to sustain. Whatever North Korea spends, our intelligence assessments tell us how threatening their military capabilities are, and anyone who looks closely at the situation is aware of how much damage North Korean forces could wreak even if confronted by strong United States and South Korean troops. Few, therefore, would want to encourage aggression by weakening our deterrent posture in Korea. So an argument based on North Korea, or Iraqi, or

Iranian levels of military spending is irrelevant. The only real issue is what are the threats and what U.S. posture is needed to deal with them.

A second common argument for cutting U.S. defense spending is that the United States today is spending about as much on defense in inflation-adjusted dollars as it did, on average, during the cold war. The implication is clear—now that the cold war is over, we should be able to spend less. The flaw in this argument is one I have already discussed. To maintain forces of a given size costs more over time because of the need to improve the quality of life, pursue more advanced technology, and operate more sophisticated weapons. The fact is, we have cut the size of the force substantially since the end of the cold war. In 1987, the active duty force level was about 2.1 million. Today, it is about 1.4 million—about one-third less. A force of that size understandably should cost more than a larger force 25 or 30 years ago—but it is nonetheless substantially smaller and less costly than a force of the size that would be necessary if the cold war had continued.

HOW MUCH IS ENOUGH?

So if those are some of the ways not to think about defense spending, how should we think about it? How much is enough for national defense? Mr. Speaker, 2 years ago, I prepared an alternative defense budget that I believed at the time was adequate to maintain U.S. military strength over the next 5 years. It called for spending about \$45 billion more on defense than the administration was projecting at the time. I still think that alternative budget is wise.

Today, however, I want to talk a bit more broadly about the principles that the Congress should apply in fulfilling its responsibility to decide how much is enough.

First, I do not believe that we should cut force levels further. I am disturbed by reports that the QDR may include a decision to reduce total defense end-strength by as much as 144,000 individuals. To me, such reductions would be destructive and dangerous. They would be destructive because they would break faith with the men and women who serve in the Armed Forces. As I noted just a few minutes ago, we have already gone through a defense drawdown that has reduced active duty force levels by about one-third. This drawdown has imposed an immense burden on military personnel. It has meant that people have had to change jobs much more often than would have been necessary if force levels were stable, because people have had to be moved around to replace the larger number of people who were leaving. It has imposed an immense strain on the military education and training system, and often people have started new jobs without complete training. It has made the military personnel system rather brutally competitive—many military personnel have complained to me that the pressure to force people

out means that any single mistake will cost a good soldier his or her career.

Military planners have a term of art for all of this—they call it turbulence in the force. In fact, it has meant a good deal of turbulence in peoples' lives. In my view, the good people who serve in the Armed Forces have suffered through this turbulence for long enough. For years we have told them that the problems that attended the drawdown would ease once the reductions were over. We told them to hang in and that things would get better. I do not believe it is right to ask these people to go through yet another period of such turbulence. To start another drawdown on top of the one just completed is to break faith with the people who serve.

I also think that we cannot afford to reduce force levels for strategic reasons. All of the services are being strained to the breaking point by the multiple requirements imposed on them by the demands, first, to be trained and ready for major wars and, second, meanwhile, to be engaged in the multiplicity of smaller operations which have proliferated since the end of the cold war. Already the Army is short about 40,000 slots in support positions. This has meant that operations in Haiti or Bosnia, for example, require that support personnel be taken out of units that are not deployed abroad in order to fill out units that are being deployed. The remaining support personnel then have to do twice the work they should. Now we are talking about further thinning Army ranks, which, inevitably will make these shortfalls even worse.

FOUR GUIDING PRINCIPLES

We should be guided by four principles:

First, I do not believe we should reduce force levels further.

The second principle is, increase weapons investments enough to get back to a steady state replacement rate for major items of equipment. A key goal of the QDR, reportedly, is to find funds to increase weapons procurement substantially—the target that has been set for several years is \$60 billion a year for procurement. This will require an increase of about one-third from current levels—for the past couple of years, we have spent about \$45 billion on procurement. I hope that the QDR will get there—though not at the cost of cuts in the size of the force. I am doubtful, however, that \$60 billion a year will be enough.

To explain my doubts, it will take a little arithmetic. Currently, between them, the Air Force and the Navy have about 3,000 fighter aircraft in their inventories—about 2,000 in the Air Force and 1,000 in the Navy. If we assume a 20 year average service life for fighters—which is getting pretty long in the tooth—then, on average, we have to buy 150 aircraft a year to maintain a steady-state replacement rate. For the past few years, we have bought about 28-42 fighter aircraft a year. So, by my

calculations, we need to increase aircraft procurement by at least 400 percent to get to the right level.

Similarly for the Navy—the Navy now needs a minimum of about 350 battle force ships. If we assume an average service life of 35 years, we need to buy 10 ships a year. Lately we have been buying four or five. So we need to double shipbuilding budgets to get back to a steady state replacement rate.

Add to those increases, the need to increase spending modestly each year in order to exploit new technology. Suffice to say, \$60 billion a year won't do it. So the next question is, what are we giving up by not modernizing as fast as we probably should, and how are we going to adjust to the shortfalls? We may be able to keep some equipment going longer by pursuing upgrades instead of new systems. We may be able to limit cost growth between generations of new weapons by careful attention to cost—as the services plan for the Joint Strike Fighter. But all of these adjustments come at a price in reduced military strength. The compromises should be kept to a minimum.

The third principle is that we should not allow military readiness to decline. On this issue, I am skeptical about DOD budget plans that show operation and maintenance costs declining in the future relative to the size of the force. Some savings, to be sure, may be achieved from base closures and other changes in ways of doing business. But it is unrealistic to expect training costs to decline or to plan on reduced maintenance costs of major weapons.

Fourth, and finally, while I do believe that some savings can be achieved by improving DOD business practices, I am very skeptical about claims that very large savings can be achieved. It may be true that there is waste in defense business practices—but waste is not a line item in the budget that can easily be eliminated. I am very concerned that proponents of revolutionary changes in government procurement practices are vastly overstating the savings that can be made.

IN CONCLUSION

Mr. Speaker, these four principles—maintain force levels; increase weapons modernization funding substantially; protect military readiness; do not overstate savings from improved business practices—force me to conclude that currently projected levels of defense spending are not enough. And as the years go by, if defense spending is frozen at the current inadequate level, I fear that we will see the erosion of U.S. military strength and, as a direct result, the slow decline of U.S. global leadership.

MOST-FAVORED-NATION STATUS FOR CHINA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Virginia [Mr. WOLF] is recognized for 60 minutes as the designee of the majority leader.

(1430)

Mr. WOLF. Mr. Speaker, President Ronald Reagan was a champion for human rights in the Soviet Union and Eastern Europe. He spoke up in defense of freedom and democracy. He raised the cases of dissidents during the high-level meetings with Soviet officials. He made passionate and eloquent speeches outlining America's values, but he engaged forthrightly and he backed up engagement with action.

We all remember his famous 1983 speech to the National Association of Evangelicals in Orlando, FL. It was then that he called the Soviet Union the Evil Empire. That courageous speech, ridiculed by some as too belligerent, was a decisive moment in American history and a decisive moment in the cold war.

In that speech, President Reagan says, and I quote, he said, it was C.S. Lewis, who, in his unforgettable *Screwtape Letters* wrote, "the greatest evil is not done now in those sordid 'dens of crime' that Dickens loved to paint. It is not even done in concentration camps and labor camps. In those we see its final result. But it is conceived and ordered, moved, seconded, carried and minuted, in clear, carpeted, warmed and well-lighted offices, by quiet men with white collars and cut fingernails and smooth-shaven cheeks who do not need to raise their voice."

He went on to say that, well, because these quiet men do not raise their voices, because they sometimes speak in soothing tones of brotherhood and peace, because, like other dictators before them, they are always making, quote, their final territorial demand. So some would have us accept them at their word and accommodate ourselves to their aggressive impulses. But if history teaches anything, it teaches that simpleminded appeasement, where wishful thinking about our adversaries is folly, it means the betrayal of our past and the squandering of our freedom.

Mr. Reagan went on to say, while America's military strength is important, let me adhere that I have always maintained that the struggle now going on for the world will never be decided by bombs or rockets, by armies or military might; the real crisis we face today is a spiritual one. At its root it is a test of moral will and faith. I believe we shall rise to the challenge, he said. I believe that communism is another sad, bizarre chapter in human history whose last pages even now are being written.

"I believe this because our source of strength in the quest for human freedom is not material but spiritual, and because it knows no limitations, it must terrify and ultimately triumph over those who would enslave their fellow men."

□ 1445

I do not know and it would be unfair for me to say how President Reagan would have voted today on most favored nation trading status for China. I

do know, however, that he opposed MFN for the Soviet Union while people of faith were being persecuted and human rights were being grossly violated and the Soviet Union was a military threat to the United States. President Reagan engaged with Soviet leaders, but he did not grant them MFN.

Today in China people of faith, particularly those who choose to worship outside government control, are now being persecuted. Catholic priests are in jail, Catholic bishops are in jail, Protestant pastors are in jail, Buddhist monks and nuns are in jail, churches are raided, monasteries in Tibet are raided, and all the key leaders of the democracy movement are jailed, and many others are harassed and closely watched by the Chinese Government.

President Reagan also opposed MFN for the Romanian Ceausescu-led Communist government in Romania, and as we know, he signed the legislation taking away the most-favored-nation trading status, MFN, for Romania in 1987.

These acts, acts like President Reagan took, these acts do not go unnoticed by the world. The Soviet people knew and the Romanian people heard the evil empire speech and the news of revocation of Romania's MFN on the Voice of America, and they knew that someone cared.

In 1989, the gentleman from New Jersey, Mr. CHRIS SMITH, and myself visited Perm Camp 35, the last gulag in the Soviet Union, which was in the Ural Mountains. Many of the political prisoners whom we met with told us they knew of President Reagan's efforts and it gave them hope. Even in one of the darkest places in the Soviet totalitarian system, these prisoners knew of President Reagan's support for human rights and religious freedom. It gave them hope that someone was brave enough to stand up to the dictators. It gave them hope that someone was brave enough to stand up for freedom.

Today, what kind of message are we sending to the men and women in China who are longing and hoping that someone will speak up for them? Bringing democracy to China must start with supporting those who are working for a democratic form, and I believe revoking MFN is the first but not the only step in that process.

I want, as a Republican Member of the House, I want the Republican Party to be faithful to the principles of Lincoln and Reagan and stand up for more than just trade. The GOP should stand up for the rights of people instead of only the rights of business. I support free trade. I have been a voter in this Congress for free trade. But I am concerned that trade has become the sole focus of our foreign policy in China and the quest for dollars stifles all other considerations or attempts to influence change.

The losers are those suffering at the hands of the dictators. The Catholic priests, the Catholic bishops, the Buddhist monks, the evangelical pastors,

the people in the house church, the Muslims who are being persecuted in the northwest portion of China, these are the losers suffering at the hands of dictators.

I want today's victims of authoritarianism to hear on Voice of America and Radio Free Asia that the United States is still standing by those principles. Should I ever get the opportunity to visit the prison or the laogai where Wei Jingsheng and Bao Tong and Wang Dan and others who have been arrested, and Bishop Su Chimín, who was beaten by police with a board until it broke in splinters, or Pastor Liu Zhenyang, nicknamed the "heavenly man" for surviving a 70-day fast in protest for his persecution, where they are being held, if I ever get into those prisons I want them to say, "We knew, we knew that the United States stood for us."

The words of freedom and democracy inherently fly in the face of dictators and cause them to brand all its adherents as nationalist or imperialists, but the words "freedom" and "democracy" are the words that bring hope to the thousands around the world who do not enjoy these precious liberties. We must use every means at our disposal to make them a reality.

Mr. Speaker, I saw a portion of a poll that was taken by the Wall Street Journal and NBC, by the two pollsters Hart and Teeter, one a Democrat and one a Republican. In the May 1 poll that was reported in the Wall Street Journal, this is what the question was. The question was: Should China improve human rights status or lose current trade status?

This, Mr. Speaker, is what the American people said. The American people said, on the question maintain good trade relations, 27 percent; demand human rights policy changes, 67 percent. So 67 to 27 percent, the American people stand on behalf of being tough on human rights.

I knew the American people would stand that way. The question is will the Congress stand that way, and will this administration stand that way. Even if the administration does not stand that way, and the indications are that this administration will not stand that way, the Congress should stand that way. The House of Representatives should stand that way. Unconditional MFN is not working. There is more repression in China today than 3 years ago when President Clinton delinked trade from human rights. Let us cease our wishful thinking that this is the best course.

Let us let the Chinese people who are suffering at the hands of dictators—democracy activists, Christians, Tibetans, Muslims, Buddhists, and others—let them know that the United States stands with them, and let us send a strong message by voting to revoke MFN in the House of Representatives.

MIDDLE-INCOME AMERICANS NEED A CAPITAL GAINS TAX CUT

The SPEAKER pro tempore (Mr. NETHERCUTT). Under the Speaker's an-

nounced policy of January 7, 1997, the gentleman from California [Mr. DREIER] is recognized for 50 minutes, the balance of the time, as the designee of the majority leader.

Mr. DREIER. Mr. Speaker, I have taken this time out to talk about the historic budget agreement which was completed just this past week and to say that I have some grave concerns about it.

I, of course, wish very much that we had been able to take on the issue of entitlements. I wish we could have taken on the proposal to eliminate some Cabinet-level agencies. Of course, I wish that we could have brought about broader tax cuts to stimulate job creation and economic growth. As my friend, the gentleman from Missouri, said in his remarks a few minutes ago, I wish we could have had better numbers in the area of our national security.

Having said that, Mr. Speaker, I have concluded that this agreement is historic. It is very important for us to proceed with it. Obviously, if we had reelected a Republican Congress and elected a Republican, Bob Dole, as President of the United States, the agreement would look much different than it does today. From my perspective it would look much better than it does today. But it is important that we face the reality of governing.

Last November the American people chose to reelect a Republican Congress for the first time in 68 years, and they also chose to reelect Bill Clinton as President of the United States. So that obviously created the situation where we had to do what we could to come to some sort of consensus. It is for that reason that I believe that while not perfect, and I do not like every aspect of it, this is probably the best agreement that could be struck.

Why? Because it does focus on our principal goals of trying to gain control of this behemoth, the Federal Government, heading us down the road toward a balanced budget and at the same time reducing the tax burden on working Americans. So if we take all those things into consideration, while not enough, they clearly are steps in the right direction.

I am most pleased that an item which I have been focusing on for a number of years and which I introduced on the opening day of the 105th Congress is, I hope, going to be part of the basis from which we move ahead with this budget agreement. I am talking, of course, about reducing the top rate on capital gains.

On the opening day of the 105th Congress, I and several of my colleagues, in fact three Democrats and one other Republican, joined with me introducing H.R. 14. We selected the number H.R. 14 because what we do is we take the top rate that now exists of 28 percent on capital gains and we reduce that to a top rate of 14 percent.

I was joined by Democrats, the gentlewoman from Missouri, KAREN

MCCARTHY, the gentleman from Virginia, JIM MORAN, and the gentleman from Texas, RALPH HALL, and my Republican colleague who sits on the Committee on Ways and Means, the gentleman from Pennsylvania, PHIL ENGLISH, and the five of us introduced this measure on the opening day.

I am very happy to report, Mr. Speaker, that with the cosponsorship of my chief colleague, the gentleman from California, MATTHEW "MARTY" MARTINEZ, who represents the same region as I in southern California, we now have over 140 Democrats and Republicans who have joined as cosponsors of H.R. 14.

We have heard lots of figures over the last few days as to exactly where we can go on this reduction of capital gains, and we still have a few naysayers out there who will continue to argue that reducing the top rate on capital is nothing but a tax cut for the rich. But every shred of empirical evidence that we have, Mr. Speaker, proves to the contrary.

In fact, 40 percent of the capital gains realized in this country are realized by Americans who earn less than \$50,000 a year. We continue in our office to get letter after letter from people all over the country who are middle-income wage earners writing to us about how important it is to reduce that top rate on capital.

I would like to share just a couple of those letters with my colleagues, Mr. Speaker. First, this letter came from a middle-income family that needs capital gains tax cuts to use the proceeds from the sale of farm property to restore savings that largely had been lost to farm losses.

Let me read parts of this letter, Mr. Speaker:

"We will soon be married 35 years. We have three grown children and a 5-year-old. After 20 years of marriage we had saved enough money to be able to buy a dairy farm we bought for a total of \$270,000, and we still had a little over \$100,000 in the bank for a rainy day.

"Fifteen years later we owe \$160,000 and have \$1,500 in the bank. We have used everything that we had saved trying to make that farm work. We have an opportunity now to sell our farm," and I will go through the figures that are here: selling price, \$275,000; \$25,000 for equipment; \$60,000 for 85 head of cattle; and the total of the sale proceeds would be \$360,000.

That debt which they referred to in the letter of \$160,000 obviously would have to come off the top, and the estimated capital gains tax is \$75,000.

"We can't even pay off our bills and have any left over to buy a place to live with the \$125,000 remaining. \$75,000 in taxes," this family writes, "that is so unfair. If you can get the rate for capital gains" down to your proposed level, H.R. 14's 14 percent, "at least we would have an additional \$37,500 of our hard-earned money back. We need to start again to try and save enough for our golden years and our 5-year-old."

Here is an example, Mr. Speaker, of a family that may be, in the eyes of some, very rich. They are dairy farmers who have struggled, and yet the capital gains tax is going to jeopardize the future of their 5-year-old child and this family's plan for retirement.

Another example of a middle-income family that needs a capital gains tax cut is for a family that is looking to sell rental property to support an 85-year-old mother.

□ 1500

This letter, Mr. Speaker, goes as follows:

My wife and I, both retired, are responsible for the care and well-being of my 85-year-old mother-in-law. She is a widow, suffers from Alzheimer's disease, needs round-the-clock care and pays a substantial tax on her Social Security income. She has been living on the income from some very modest residential rentals. We are no longer able to operate those rentals profitably and have to sell. If capital gains taxes were indexed and left at the rate they were when the property was purchased, right around 15 percent, she could just barely continue in her current situation. Now, the difference between whether my mother-in-law will be able to get along on the proceeds from her previously purchased assets or be obligated to rely on Medicaid or some other forms of Government assistance will be determined by how much will be taken away from her by the capital gains tax. This is not a rich versus poor proposition. The amount of tax taken from the proceeds of her hard-earned rental property will affect her lifestyle, will affect what other taxpayers will have to contribute to her care, will affect the quality of her retirement years and the retirement years for my wife and for me and my daughter's college options.

So once again, Mr. Speaker, here is a clear example of this not being the rich versus poor or us versus them, class warfare argument. Reducing the top rate on capital gains will in fact have a beneficial impact for middle income wage earners.

But let us look even further than that. As we look at the stated goals of a capital gains tax cut, we know that not just middle income wage earners but top Government officials, including the Chairman of the Federal Reserve Board, have stated that the ideal tax on capital would be zero, not 14 percent, the middle ground that we are offering with H.R. 14, but in fact it would be zero.

In fact, before the Senate Committee on Banking, Housing, and Urban Affairs, Alan Greenspan, Chairman of the Federal Reserve Board, said,

I think while all taxes impede economic growth to one extent or another, the capital gains tax, in my judgment, is at the far end of the scale and so I argue that the appropriate capital gains tax rate was zero and short of that any cuts, and especially indexing, would, in my judgment, be an act that would be appropriate policy for this Congress to follow.

Mr. Speaker, H.R. 14 not only takes that top rate on capital gains from 28 to 14 percent, but it also does index to ensure that working Americans are not forced into higher income tax brackets

as they realize some kind of appreciation on their capital investment because of inflation.

Also I should state that if we look at the priorities that we have in dealing with this issue of capital gains, what is it that we want to do? We want to encourage economic growth. We want to do everything that we possibly can to increase the take-home pay of working Americans, and, of course, we want to balance the Federal budget.

There are some in this Congress and some out there who say you cannot talk about reducing the tax on capital and at the same time be serious about your quest for a balanced budget. We also, as we looked at this balanced budget agreement that has come out over the past several days, have looked at the cost of cutting the top rate on capital gains taxes.

Well, according to the Congressional Budget Office, the projection of the cost, which I do not buy by any means, is about \$44 billion. Now, if we look at every bit of empirical evidence that we have had throughout this entire century, every time we have reduced the tax rate on capital what has happened? It has not cost the Treasury anything. It has not cost \$44 billion, as the CBO has estimated.

What has happened? We have seen a dramatic increase in the flow of revenues to the Federal Treasury, going all the way back to 1921, when Treasury Secretary Andrew Mellon, in the Warren G. Harding administration, brought about a reduction of the tax on capital.

What happened? We saw a dramatic increase in the flow of revenues to the Treasury through the roaring twenties. We also have to look back at the Kennedy tax cuts. In 1961, there was not a cost to reducing the top rate on capital. What happened was, we saw an increase in the flow of revenues to the Treasury.

More recently, in 1978, the famous Steiger capital gains tax rate reduction, we saw, for the years between 1979, when that rate reduction went into effect, and 1987, when we saw an increase in the capital gains tax, we saw a 500-percent increase in the flow of revenues to the Federal Treasury, from \$9 to \$50 billion coming in from that period of time. And then we saw, in 1987, a concurrent drop in the flow of revenues to the Treasury when the tax rate on capital gains was increased.

We also have to look at studies that have been done most recently of our package. The Institute for Policy Innovation did a study just a few years ago showing that a rate cut like that that we have in H.R. 14 would bring about a very dramatic increase in the flow of revenues to the Treasury.

In fact, they have stated that they would increase by \$211 billion. That obviously is not going to cost anything.

The reason for that increase, Mr. Speaker, is that we have today between \$7 and \$8 trillion of locked-up capital. There are so many people, like the retirees who wrote me these letters and

others, who have said, gosh, with a 28-percent rate on capital gains, I cannot afford to sell this item.

So what happens? There is this lock-in effect. It is projected today that there is between \$7 and \$8 trillion that is locked in because that tax is so punitive. Once again, 40 percent of those are held by people with incomes of less than \$50,000 a year.

We also have to look at the argument that has been going on over the past several days about the need for a broad-based family tax cut. We hear talk regularly about how we have got to help families.

Well, Mr. Speaker, I argue that H.R. 14, putting that top rate at 14 percent, would do more to boost the wages of the average working family than virtually any of the so-called family tax cuts that have already been proposed. Yes, I am not opposing those, but I believe that the capital gains tax cut, which would be permanent, would increase it. In fact, that same study done by the Institute for Policy Innovation found that going to a 14-percent rate on the capital gains tax would boost the average family's take-home pay by \$1,500 a year over a 7-year period.

So if we recognize again that what we are trying to do here is increase economic growth, boost the take-home pay of working Americans and at the same time balance the Federal budget, we can in fact, with a capital gains tax rate reduction, do those things.

I mentioned the Federal Reserve Board in that statement. Some have said that tax proposals would, in fact, be received, tax cut proposals would be received less than favorably by the Federal Reserve. Well, those words from the chairman demonstrate that H.R. 14 would be a Fed-friendly tax cut and would not send anything other than a very positive signal.

So as we look at where we are headed now in these budget negotiations, it seems to me, Mr. Speaker, that the fair, the balanced, the middle-road position for us to take would be a top rate of 14 percent on capital gains.

I will say that I am very encouraged by the words that have come from the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, the fact that we have so many Democrats and Republicans joining in this Congress to cosponsor H.R. 14, it signals to me that we can, in fact, have a tremendous benefit, a great win for the American people if, as we proceed with these talks and the final details that the Committee on Ways and Means will report out, that we have a tax that is no higher than 14 percent.

I do not claim that cutting the capital gains tax rate will be a cure-all for all the ailments of society. One might conclude from what I have said that I believe that it is a panacea for every problem that we face. I do not think it is. But if we do look at the goals of ensuring that our children and grandchildren are not going to be saddled with horrendous debt in the future, if

we look at our desire to increase the take-home wages for working Americans and if we look at our goal of boosting economic growth to ensure that the United States of America will be able to remain competitive internationally, it seems to me that going from 28 to 14 percent is the right thing to do.

And for my colleagues who have yet to cosponsor H.R. 14, I hope very much that they will respond to the many letters that my Democratic and Republican colleagues and I have sent around and join in cosponsoring this very important legislation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. FILNER) to revise and extend his remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

(The following Members (at the request of Mr. DREIER) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS, for 5 minutes, on May 16.

Mr. HULSHOF, for 5 minutes each day, on May 6 and 7.

Mr. HAYWORTH, for 5 minutes, on May 6.

Mr. SNOWBARGER, for 5 minutes, on May 6.

Mr. NEY, for 5 minutes, on May 6.

Mr. ROGAN, for 5 minutes, on May 6.

Mr. SUNUNU, for 5 minutes, on May 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FILNER) and to include extraneous matter:)

Mr. TOWNS.

Mr. SHERMAN.

Mr. KUCINICH.

(The following Member (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. BONO.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 543. An act to provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers; to the Committee on the Judiciary.

S.J. Res. 29. Joint resolution to direct the Secretary of the Interior to design and construct a permanent addition to the Franklin Delano Roosevelt Memorial in Washington, DC, and for other purposes; to the Committee on Resources.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

May 2, 1997:

H.R. 1001. An act to extend the term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 6, 1997, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3070. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt Regulated Areas [Docket No. 96-016-19] (RIN: 0579-AA83) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3071. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's "Major" final rule—Karnal Bunt; Compensation for the 1995-1996 Crop Season [Docket No. 96-016-17] (RIN: 0579-AA83) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3072. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Pink Bollworm Regulated Areas [Docket No. 97-023-1] received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3073. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Zoological Park Quarantine of Ruminants and Swine Imported from Countries Where Foot-and-Mouth Disease or Rinderpest Exists [APHIS Docket No. 94-136-2] received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3074. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Genetically Engineered Organisms and Products; Simplification of Requirements and Procedures for Genetically Engineered Organisms [APHIS Docket No. 95-040-4] (RIN: 0579-AA73) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3075. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Electronic Filing of Disclosure Documents with the Commission [17 CFR Part 4] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3076. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Recordkeeping Reports by Futures Commission Merchants, Clearing Members, Foreign Brokers, and Large Traders [17 CFR Parts 1, 15, 16, and 17] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3077. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Imazapyr; Pesticide Tolerances [OPP-300471; FRL-5599-8] (RIN: 2070-AB78) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3078. A letter from the Assistant Administrator, Environmental Protection Agency, transmitting the annual report on conditional registration of pesticides during fiscal year 1996, pursuant to 7 U.S.C. 136w-4; to the Committee on Agriculture.

3079. A letter from the Under Secretary of Defense (Comptroller), Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act—Army violation, case No. 96-03, which totaled \$489,600, occurred in the fiscal year 1995 operation and maintenance, Army National Guard appropriation, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3080. A letter from the Director, Defense Finance Accounting Service, Department of Defense, transmitting notification that the Defense Finance and Accounting Service [DFAS] is initiating a cost comparison study of DFAS accounting functions supporting the Defense Commissary Agency [DeCA], pursuant to 10 U.S.C. 2304 note; to the Committee on National Security.

3081. A letter from the Acting Assistant Secretary, Department of Defense, transmitting a corrected report to replace the original report numbered EC2882, and printed in the CONGRESSIONAL RECORD dated April 28, 1997; to the Committee on National Security.

3082. A letter from the Secretary of Defense, transmitting the Department's report on the event-based decision making for the F-22 aircraft program for the fiscal year for which the President has submitted a budget, pursuant to section 218 of the National Defense Authorization Act for fiscal year 1997; to the Committee on National Security.

3083. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Hispanic-Serving Institutions Work Study Program [Docket No. FR-4070-F-03] (RIN: 2528-AA06) received April 25, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3084. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2002 resulting from passage of H.R. 412, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-582); to the Committee on the Budget.

3085. A letter from the Assistant Secretary, Department of Education, transmitting notice of final priorities and selection criteria—Safe and Drug-Free Schools and Communities National Programs: Federal Activities Grants Program, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

3086. A letter from the Assistant Secretary, Department of Education, transmitting notice of final priorities and selection criteria—Safe and Drug-Free Schools and Communities National Programs: Grants to Institutions of Higher Education, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

3087. A letter from the Chairman, Harry S. Truman Scholarship Foundation, transmitting the Foundation's annual report for 1996, pursuant to 20 U.S.C. 2012(b); to the Committee on Education and the Workforce.

3088. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions—Phase IV: Treatment Standards for Wood Preserving Wastes, Paperwork Reduction and Streamlining, Exemptions from RCRA for Certain Processed Materials; and Miscellaneous Hazardous Waste Provisions [FRL-5816-5] (RIN: 2050-AE05) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3089. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Control of Air Pollution from Aircraft and Aircraft Engines; Emission Standards and Test Procedures [AMS-FRL-5821-3] (RIN: 2060-AF50) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3090. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendments to the Amateur Service Rules Including Amendments for Examination Credit, Eligibility for a Club Station License, Recognition of the Volunteer Examiner Session Manager, a Special Event Call Sign System, and a Self-Assigned Indicator in the Station Identification [WT Docket No. 95-57, RM-8301, RM-8418, RM-8462] received April 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3091. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's report entitled "Report to Congress on Abnormal Occurrences, Fiscal Year 1996," for events at licensed nuclear facilities, pursuant to 42 U.S.C. 5848; to the Committee on Commerce.

3092. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Definition of "prepared by or on behalf of the issuer" for Purposes of Determining if an Offering Document is Subject to State Regulation [Release No. 33-7418; File Number S7-6-97] (RIN: 3235-AH14) received April 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3093. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Italy [Transmittal No. DTC-32-97], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3094. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report entitled "Assistance Related to International Terrorism Provided by the U.S. Government to Foreign Countries," pursuant to 22 U.S.C. 2349aa-7(b); to the Committee on International Relations.

3095. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Revisions and Clarifications to the Export Administration Regulations (Bureau of Export Administration) [Docket No. 970306044-7044-01] (RIN: 0694-AB56) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3096. A letter from the Chairman, District of Columbia Retirement Board, transmitting the Board's annual report of activities for fiscal year 1996, pursuant to D.C. Code, Sec-

tion 1-732 and 1-734(a)(1)(A); to the Committee on Government Reform and Oversight.

3097. A letter from the Chairman, Federal Communications Commission, transmitting a report of activities under the Freedom of Information Act for the calendar year 1996, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

3098. A letter from the Executive Director, Federal Labor Relations Authority, transmitting a report of activities under the Freedom of Information Act for the calendar year 1996, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

3099. A letter from the Independent Counsel, Office of Independent Counsel, transmitting the fiscal year 1996 annual report under the Federal Managers' Financial Integrity Act [FMFIA] of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

3100. A letter from the Director, Office of Management and Budget, transmitting a copy of the report, "Agency Compliance with Title II of the Unfunded Mandates Reform Act of 1995," pursuant to 2 U.S.C. 1538; to the Committee on Government Reform and Oversight.

3101. A letter from the General Counsel, Office of Management and Budget, transmitting the Office's final rule—Classification, Downgrading, Declassification and Safeguarding of National Security Information [5 CFR Part 1312] (RIN: 0348-AB34) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3102. A letter from the Secretary, The Commission on Fine Arts, transmitting the Commission's annual report on the activities of the inspector general for fiscal years 1995 and 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3103. A letter from the Secretary, The Commission on Fine Arts, transmitting the fiscal year annual report under the Federal Managers' Financial Integrity Act [FMFIA] of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

3104. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations at 11 CFR Part 104 governing recordkeeping and reporting by political committees: best efforts, pursuant to 2 U.S.C. 438(d); to the Committee on House Oversight.

3105. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Protection and Enhancement of Environmental Quality; Technical and Clarifying Amendments [Docket No. FR-2206-F-04] received April 25, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3106. A letter from the Acting Director, Fish and Wildlife Service, transmitting the Service's final rule—Endangered and Threatened Wildlife and Plants; Final Rule to List the Barton Springs Salamander as Endangered [50 CFR Part 17] (RIN: 1018-AC22) received April 25, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3107. A letter from the Acting Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Management Measures to Reduce Seabird Bycatch in the Hook-and-Line Groundfish Fisheries [Docket No. 970226037-7094-02; I.D. 022197F] (RIN: 0648-AJ39) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3108. A letter from the Assistant Administrator for Fisheries, National Oceanic and

Atmospheric Administration, transmitting the Administration's final rule—Threatened Fish and Wildlife; Change in Listing Status of Stellar Sea Lions Under the Endangered Species Act [Docket No. 961217358-6358-01; I.D. 041995B] (RIN: 0648-xx77) received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3109. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Vessels Using Trawl Gear in the Bering Sea and Aleutian Islands [Docket No. 961107312-7021-02; I.D. 042897A] received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3110. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Yellowfin Sole by Vessels Using Trawl Gear in the Bering Sea and Aleutian Islands [Docket No. 961107312-7021-02; I.D. 042897B] received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3111. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the annual report on applications for court orders made to Federal and State courts to permit the interception of wire, oral, or electronic communications during calendar year 1996, pursuant to 18 U.S.C. 2519(3); to the Committee on the Judiciary.

3112. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Revision of HUD's Fair Housing Complaint Processing [Docket No. FR-4031-F-02] (RIN: 2529-AA79) received April 25, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3113. A letter from the Assistant Attorney General, Department of Justice, transmitting the Department's final rule—Grants Program for Indian Tribes (Office of Justice Programs) [OJP No. 1099] (RIN: 1121-AA41) received April 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3114. A letter from the Assistant Attorney General, Department of Justice, transmitting the Department's final rule—State Criminal Alien Assistance Program (Office of Justice Programs) [OJP (BJA) No. 1010] (RIN: 1121-AA24) received April 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3115. A letter from the Assistant Attorney General, Department of Justice, transmitting the Department's final rule—Young American Medals Program (Office of Justice Programs) [OJP No. 1078] (RIN: 1121-AA37) received April 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3116. A letter from the Chairman, U.S. Sentencing Commission, transmitting the Commission's amendments to the sentencing guidelines, policy statements, and commentary, pursuant to 28 U.S.C. 994(p); to the Committee on the Judiciary.

3117. A letter from the Chairman, U.S. Sentencing Commission, transmitting a report and recommendations on cocaine and Federal sentencing policy pursuant to section two of Public Law 104-38, pursuant to Public Law 104-38, section 2(a) (109 Stat. 334); to the Committee on the Judiciary.

3118. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Corson Inlet, Strathmere, New Jersey (U.S. Coast Guard) [CGD05-96-101] (RIN: 2115-AE47) received

May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3119. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Tampa Bay, Florida (U.S. Coast Guard) [COTP Tampa-97-022] (RIN: 2115-AA97) received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3120. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—Regulations for the Publication, Posting and Filing of Tariffs for the Transportation of Property by or with a Water Carrier in the Noncontiguous Domestic Trade [STB Ex. Parte No. 618] received April 22, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3121. A letter from the Acting Secretary of Labor, transmitting the Department's third report on the impact of the Andean Trade Preference Act on U.S. trade and employment from 1994 to 1995, pursuant to Public Law 102-182, section 207 (105 Stat. 1244); to the Committee on Ways and Means.

3122. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Last-In, First-Out Inventories [Rev. Rul. 97-22] received May 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3123. A letter from the National Director, Tax Forms and Publications Division, Internal Revenue Service, transmitting the Service's final rule—Tax Forms and Instructions [Rev. Proc. 97-25] received May 2, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3124. A letter from the National Director, Tax Forms and Publications Division, Internal Revenue Service, transmitting the Service's final rule—General Rules for Filing and Specifications for the Private Printing of Substitute Forms W-2 and W-3 [Rev. Proc. 97-24] received April 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3125. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Credit for Producing Fuel from a Nonconventional Source, 29 Inflation Adjustment Factor, and 29 Reference Price [Notice 97-28, 1997-18 I.R.B.] received May 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3126. A letter from the Chairman of the Board, Pension Benefit Guaranty Corporation, transmitting the 22d annual report of the Corporation, which includes the Corporation's financial statements as of September 30, 1996, pursuant to 5 U.S.C. 1308; jointly, to the Committees on Education and Workforce and Ways and Means.

3127. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that the President proposes to exercise his authority under section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, the "Act", to provide a contribution to the Korean Peninsula Energy Development Organization [KEDO], pursuant to 22 U.S.C. 2364(a)(1); jointly, to the Committees on International Relations and Appropriations.

3128. A letter from the Attorney General of the United States, transmitting the 1996 annual report on the number of applications that were made for orders and extension of orders approving electronic surveillance under the Foreign Intelligence Surveillance Act, pursuant to 50 U.S.C. 1807; jointly, to the Committees on Intelligence (Permanent Select) and the Judiciary.

3129. A letter from the Fiscal Assistant Secretary, Department of the Treasury,

transmitting the Department's March 1997 "Treasury Bulletin," pursuant to 2297(g), and 31 U.S.C. 331(b); jointly, to the Committees on Ways and Means, Commerce, Transportation and Infrastructure, Education and the Workforce, Resources, and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Texas: Committee on the Judiciary. H.R. 584. A bill for the relief of John Wesley Davis; with an amendment (Rept. 105-87). Referred to the Committee of the Whole House. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FILNER (for himself, Mr. STUPAK, Mr. FROST, Mr. UNDERWOOD, Mr. MANTON, Mr. BONIOR, Mr. ACKERMAN, Ms. MCKINNEY, Mr. ENGLISH of Pennsylvania, Mr. TRAFICANT, and Mr. MARTINEZ):

H.R. 1529. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax to individuals who are active participants in neighborhood crime watch organizations which actively involve the community in the reduction of local crime; to the Committee on Ways and Means.

By Ms. JACKSON-LEE (for herself, Ms. MCKINNEY, Mrs. MEEK of Florida, Mrs. TAUSCHER, Ms. KILPATRICK, Mrs. LOWEY, Mrs. MORELLA, Ms. VELÁZQUEZ, Ms. MILLENDER-MCDONALD, Mr. BISHOP, Mr. PALLONE, Mr. WEXLER, Ms. STABENOW, Ms. MCCARTHY of Missouri, Ms. ROYBAL-ALLARD, Mr. BENTSEN, Ms. DELAURO, Mr. HINOJOSA, Mr. RODRIGUEZ, Mr. REYES, and Mr. SERRANO):

H.R. 1530. A bill to schedule Gamma gamma-hydroxybutyrate in schedule I of the Controlled Substances Act and to schedule Ketamine in schedule II of such act, and for other purposes; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SLAUGHTER:

H.R. 1531. A bill to amend title 28, United States Code, relating to jurisdictional immunities of the Federal Republic of Germany, to grant jurisdiction to the courts of the United States in certain cases involving acts of genocide occurring against certain individuals during World War II in the predecessor states of the Federal Republic of Germany, or in any territories or areas occupied, annexed, or otherwise controlled by those states; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 40: Ms. KILPATRICK and Mr. ENGEL.

H.R. 350: Mr. HOLDEN, Mr. LIPINSKI, Mr. TIAHRT, Mr. WHITFIELD, Ms. FURSE, Mr. PASCRELL, Mr. KENNEDY of Rhode Island, Mr.

SCHUMER, Mr. BROWN of Ohio, Mr. POSHARD, Mr. BONIOR, Mr. TRAFICANT, and Mr. KLINK.

H.R. 367: Mr. ENGEL.

H.R. 445: Mr. MARTINEZ and Mr. TRAFICANT.

H.R. 475: Ms. KAPTUR.

H.R. 816: Mr. BARCIA of Michigan.

H.R. 896: Mr. BLUMENAUER.

H.R. 959: Mr. RAMSTAD, Mr. BARRETT of Wisconsin, Mr. COBURN, Mr. ACKERMAN, Ms. FURSE, Ms. NORTON, Mr. MEEHAN, Mr. MARTINEZ, Ms. PELOSI, Mr. BERMAN, Ms. LOFGREN, Mr. LEWIS of Georgia, Mr. THOMPSON, Mr. LIPINSKI, Mr. MANTON, Mr. KUCINICH, Ms. RIVERS, and Mr. TRAFICANT.

H.R. 1006: Mr. GIBBONS.

H.R. 1007: Mr. RILEY.

H.R. 1008: Mr. DELLUMS and Mr. FRANK of Massachusetts.

H.R. 1146: Mrs. CHENOWETH.

H.R. 1178: Mr. FAZIO of California.

H.R. 1232: Mr. BONIOR and Mr. THOMAS.

H.R. 1283: Mr. ADERHOLT, Mr. POMBO, Mr. WELDON of Florida, Mr. CRAPO, Mr. PORTER, Mr. DAN SCHAEFER of Colorado, Mr. BARTLETT of Maryland, and Mr. COOKSEY.

H.R. 1437: Mr. SOLOMON, Mr. ALLEN, and Mr. FATTAH.

H.R. 1450: Mr. GUTIERREZ, Mr. JACKSON, Mr. FATTAH, and Mr. MARTINEZ.

H.R. 1492: Mr. DEAL of Georgia and Mr. BAKER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT No. 50: Page 152, line 2, strike "and".

Page 152, line 6, strike the period and insert "; and".

Page 152, after line 6, insert the following:

(7) how the agency will comply with the requirement under subsection (k)(3), if applicable.

Page 153, after line 15, insert the following:

(3) REPLACEMENT REQUIREMENT FOR PHA'S WITH LONG WAITING LISTS.—In the case only of public housing agencies having waiting

lists for occupancy in public housing that contain 9,000 or more families at the time of demolition or disposition, the agency may demolish or dispose of a public housing development (or portion of a development) only if the agency provides an additional safe, clean, healthy, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed of. Such additional dwelling units may be provided for through acquisition or development of additional public housing dwelling units or as provided under paragraph (1).

H.R. 2

OFFERED BY: MR. MORAN OF VIRGINIA

AMENDMENT No. 51: Page 99, after line 11, insert the following new subsection:

(e) OPTIONAL TIME LIMITATION ON OCCUPANCY BY FAMILIES FOR PHA'S WITH WAITING LISTS OF 1 YEAR OR LONGER.—

(1) 5-YEAR LIMITATION.—A public housing agency described in paragraph (2) may, at the option of the agency and on an agency-wide basis, limit the duration of occupancy in public housing of each family to 60 consecutive months. Occupancy in public housing occurring before the effective date of this Act shall not count toward such 60 months.

(2) APPLICABILITY ONLY TO PHA'S WITH WAITING LISTS OF 1 YEAR OR LONGER.—A public housing agency described in this paragraph is an agency that, upon the conclusion of the 60-month period referred to in paragraph (1) for any family, has a waiting list for occupancy in public housing dwelling units that contains a sufficient number of families such that the last family on such list who will be provided a public housing dwelling unit will be provided the unit 1 year or more from such date (based on the turnover rate for public housing dwelling units of the agency).

(3) EXCEPTIONS FOR WORKING, ELDERLY, AND DISABLED FAMILIES.—The provisions of paragraph (1) shall not apply to—

(A) any family that contains an adult member who, during the 60-month period referred to in such paragraph, obtains employment; except that, if at any time during the 12-month period beginning upon the commencement of such employment, the family does not contain an adult member who has employment, the provisions of paragraph (1)

shall apply and the nonconsecutive months during which the family did not contain an employed member shall be treated for purposes of such paragraph as being consecutive;

(B) any elderly family; or

(C) any disabled family.

(4) PREFERENCES FOR FAMILIES MOVING TO FIND EMPLOYMENT.—A public housing agency may, in establishing preferences under section 321(d), provide a preference for any family that—

(A) occupied a public housing dwelling unit owned or operated by a different public housing agency, but was limited in the duration of such occupancy by reason of paragraph (1) of this subsection; and

(B) is determined by the agency to have moved to the jurisdiction of the agency to obtain employment.

(5) PREFERENCES FOR FAMILIES MOVING TO FIND EMPLOYMENT.—A public housing agency may, in establishing preferences under section 321(d), provide a preference for any family that—

(A) occupied a public housing dwelling unit owned or operated by a different public housing agency, but was limited in the duration of such occupancy by reason of paragraph (1) of this subsection; and

(B) is determined by the agency to have moved to the jurisdiction of the agency to obtain employment.

(5) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(A) EMPLOYMENT.—The term "employment" means employment in a position that—

(i) is not a job training or work program required under a welfare program; and

(ii) involves an average of 20 or more hours of work per week.

(B) WELFARE PROGRAM.—The term "welfare program" means a program for aid or assistance under a State program funded under part A of title IV of the Social Security Act (as in effect before or after the effective date of the amendments made by section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996).